

Dialysis Care Center McHenry, LLC

612 S. IL Route 31, Suite A
McHenry, IL 60050

Via Federal Express

Mr Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2ND Floor
Springfield, Illinois 62761

April 1, 2017

Re: Replacement Pages, Dialysis Care Center McHenry (Proj. No. 16-058)

Dear Mr. Constantino:

In response to the departments completeness review of Dialysis Care Center McHenry, please accept the substitute pages to the application:

- Page 6—Project costs and sources of funds
- Page 18 – Availability of funds
- Page 41 – Attachment 7

Unfortunately, there was a typographical error on the fair market value leased space portion of summary of project cost. We apologize for the mistake, and we appreciate the department's attention to detail in pointing this out to us.

Sincerely,



Asim Shazzad
Administrator

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$420,000		\$420,000
Contingencies	\$10,000		\$10,000
Architectural/Engineering Fees	\$20,000		\$20,000
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)	\$360,000		\$360,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$312,000		\$312,000
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$1,122,000		\$1,122,000
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$810,000		\$810,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$405,000		\$405,000
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$1,215,000		\$1,215,000
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

**Fair Market Value Leased Space
McHenry**

Initial Base rent	\$	12.00
Escalation		3%
Rentable square feet		5000
Term		5
Discount Rate		10%

	Annual Rent	Discount Factor	Present Value of Rent
Year 1	\$ 60,000	0.90909	\$ 54,545.40
Year 2	\$ 61,800	0.82645	\$ 51,074.61
Year 3	\$ 63,654	0.75131	\$ 47,823.89
Year 4	\$ 65,564	0.68301	\$ 44,780.61
Year 5	\$ 67,531	0.62092	\$ 41,931.06
FMV of Lease			<u><u>\$ 240,155.56</u></u>

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

\$810,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
___ N/A ___	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
___ N/A ___	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
___ N/A ___	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
___ N/A ___	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
___ N/A ___	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
\$405,000	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. FMV of Leases
\$1,215,000	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT-36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SUMMARY OF PROJECT COSTS

Clinical

Modernization Contracts –Renovation cost of existing space	<u>\$420,000</u>
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Contingencies

Contingencies	<u>\$10,000</u>
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Architectural & Engineering fees

Architectural & Engineering fees	<u>\$20,000</u>
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Movable or other Equipment

Dialysis Chairs	\$14,000
Misc. Clinical Equipment	\$17,000
Clinical Furniture and equipment	\$25,000
Office equipment and other furniture	\$31,000
Cabinetry	\$48,500
Water treatment	\$110,000
Tvs & Accessories	\$26,000
Telephones	\$11,000
Computers, Fax, Copier	\$15,000
Generator	\$40,000
Facility Automation	\$12,500
Other Miscellaneous	\$10,000

Total	<u>\$360,000</u>
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Fair Market Value Leased Space & Equipment

FMV Leased space	\$240,000
FMV Leased Dialysis Machines	\$165,000

Total	<u>\$405,000</u>
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